

(2) Contracting officers in agencies not covered by the NISP shall follow agency procedures.

[48 FR 42113, Sept. 19, 1983, as amended at 61 FR 31617, June 20, 1996]

#### **4.404 Contract clause.**

(a) The contracting officer shall insert the clause at 52.204-2, Security Requirements, in solicitations and contracts when the contract may require access to classified information, unless the conditions specified in paragraph (d) below apply.

(b) If a cost contract (see 16.302) for research and development with an educational institution is contemplated, the contracting officer shall use the clause with its Alternate I.

(c) If a construction or architect-engineer contract where employee identification is required for security reasons is contemplated, the contracting officer shall use the clause with its Alternate II.

(d) If the contracting agency is not covered by the NISP and has prescribed a clause and alternates that are substantially the same as those at 52.204-2, the contracting officer shall use the agency-prescribed clause as required by agency procedures.

[48 FR 42113, Sept. 19, 1983, as amended at 61 FR 31617, June 20, 1996]

### **Subpart 4.5—Electronic Commerce in Contracting**

SOURCE: 60 FR 34744, July 3, 1995, unless otherwise noted.

#### **4.500 Scope of subpart.**

This subpart provides policy and procedures for the establishment and use of the Federal Acquisition Computer Network (FACNET) as required by Section 30 of the Office of Federal Procurement Policy (OFPP) Act (41 U.S.C. 426).

#### **4.501 Definitions.**

*ANSI X12*, as used in this subpart, means the designation assigned by the American National Standards Institute (ANSI) for the structure, format, and content of electronic business transactions conducted through Electronic Data Interchange (EDI). ANSI is the

coordinator and clearinghouse for national standards in the United States.

*Electronic commerce (EC)*, as used in this subpart, means a paperless process including electronic mail, electronic bulletin boards, electronic funds transfer, electronic data interchange, and similar techniques for accomplishing business transactions. The use of terms commonly associated with paper transactions (e.g., "copy", "document", "page", "printed", "sealed envelope" and "stamped") shall not be interpreted to restrict the use of electronic commerce.

*Electronic data interchange (EDI)*, as used in this subpart, means a technique for electronically transferring and string formatted information between computers utilizing established and published formats and codes, as authorized by the applicable Federal Information Processing Standards.

*Implementation convention (IC)*, as used in this subpart, means the common practices and/or interpretations of the use of ANSI X12 standards. Conventions define how trading partners will use the standards for their mutual needs. The Federal IC will be used by organizational elements of the Federal community and by government organizations and by Trading Partners to exchange data with the Federal community.

*Trading partner*, as used in this subpart, means a business that has agreed to exchange business information electronically.

*Transaction set*, as used in this subpart, means the data that is exchanged to convey meaning between Trading Partners engaged in EC/EDI.

[60 FR 34744, July 3, 1995, as amended at 61 FR 39191, July 26, 1996]

#### **4.502 Policy.**

(a) The Federal Government shall use FACNET whenever practicable or cost-effective. Contracting officers may supplement FACNET transactions by using other media to meet the requirements of any contract action governed by the FAR (e.g., transmit hard copy of drawings).

(b) Before using FACNET, or any other method of electronic data interchange, The agency head shall ensure that the electronic data interchange